



Investor Presentation

Bertrandt AG

December 2021

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INVESTOR PRESENTATION

Bertrandt AG

BERTRANDT AT A GLANCE

Bertrandt Group



1974
Founded by
Harry Bertrandt



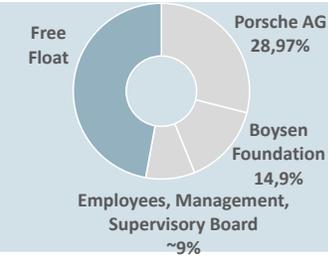
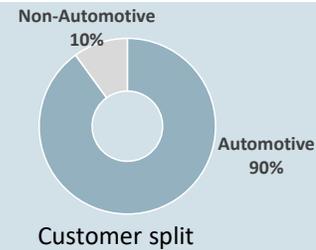
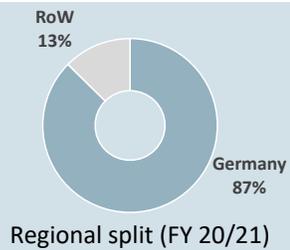
Total Revenues
FY 2020/21: EUR 849m



~12.000
employees



More than 50 locations globally



From the initial idea to production readiness



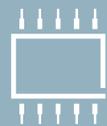
Design



Vehicle Body



Interior



Electronics



Powertrain



Chassis



Simulation



Testing



Engineering
Services

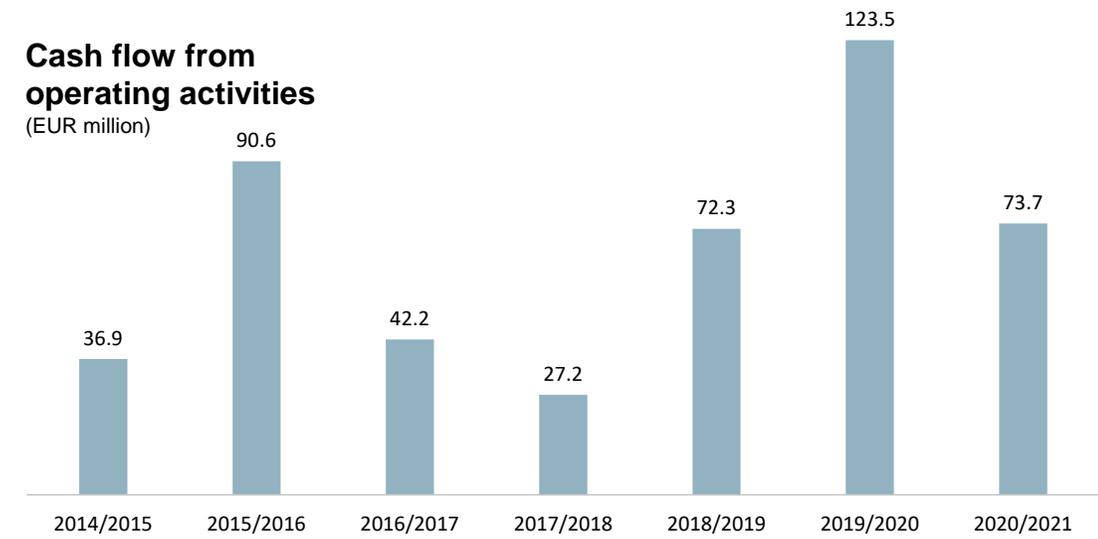
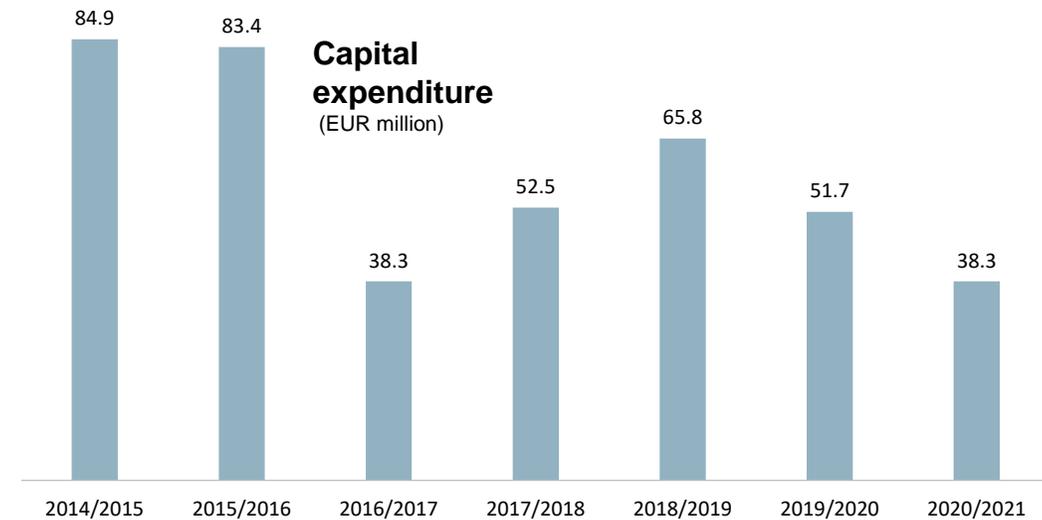
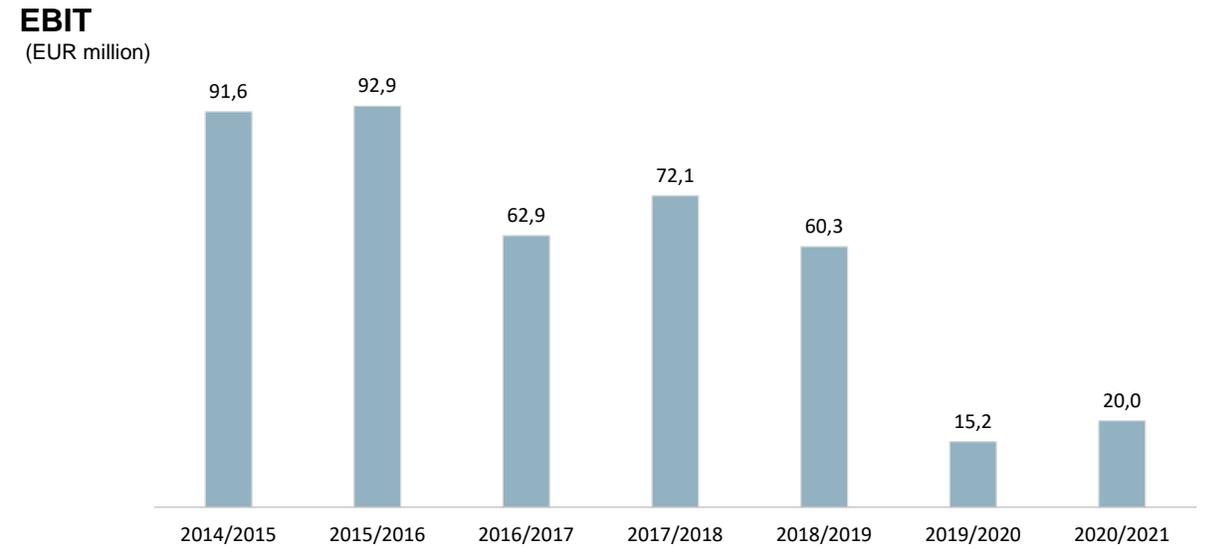
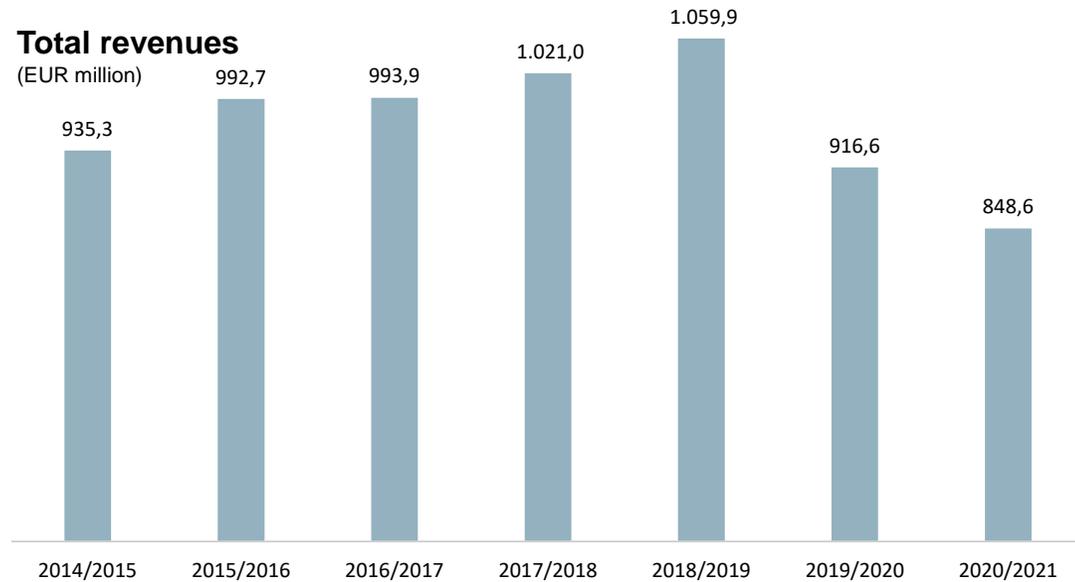
All Services For All Customers



Sustainability Part Of Corporate Strategy



Key figures development



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MARKETS AND CUSTOMER ENVIRONMENT

Current market and customer environment: Automotive industry



Sustainable mobility drives industry transformation



High amount of RFQs



European registrations up yoy but ca. 25% below 2019.



Focus on future megatrends (Digitization, Autonomous Driving, Connectivity, Electrification)



Economic recovery dependent on further development of pandemic



Cost and efficiency pressure ongoing and addressed

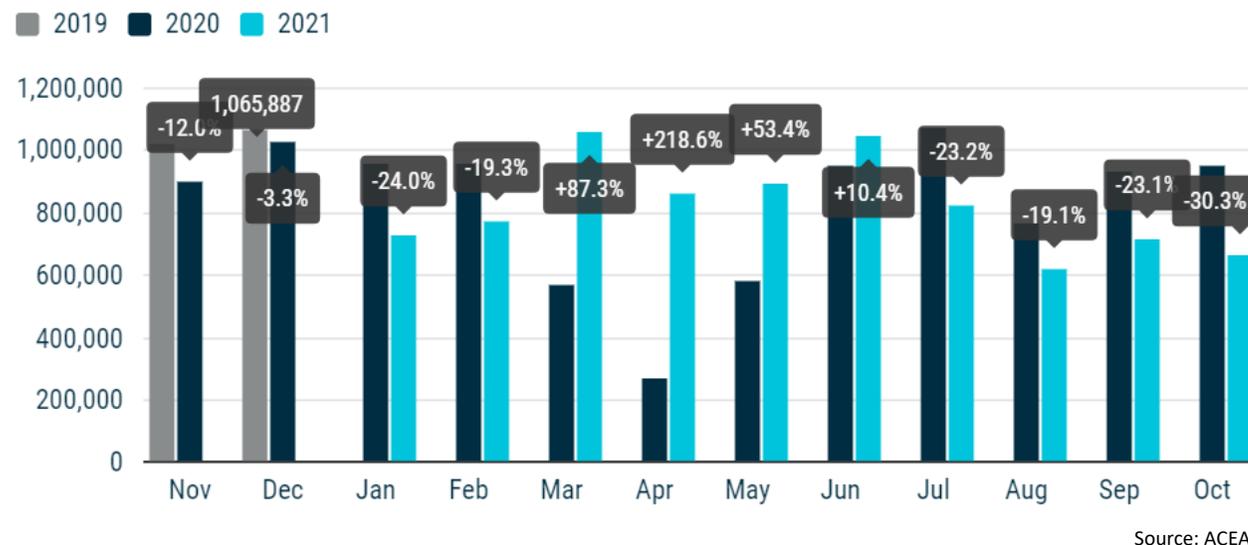


R&D budgets at high levels, but prioritization of projects



No direct impact from chip shortage, but industry sentiment depressed

Car demand EU27: Recovery from low levels, but demand still below pre-Corona



- Over the first 10 month of 2021, new car registrations in the EU were up 2.2% compared to one year earlier
- In October 2021, new passenger car registrations in the European Union contracted further (-30.3%)
- Forecast 2021 (VDA)
 - USA 14.6m units (2020: 14.5m, +1% yoy)
 - Europe 11.6m units (2020: 12.0m, -3% yoy)
 - China 19.8m units (2020: 19.8m, +0% yoy)

Current market and customer environment: Industries



Electrical industry:
Forecast 2022:
Recovery continues



Med-Tech:
Forecast 2022:
Heterogenous development
dependent on pandemic-
related base effects



**Mechanical & Plant
Engineering:**
Forecast 2022:
Generally positive
sentiment

Current market and customer environment: Aviation

Aviation industry:

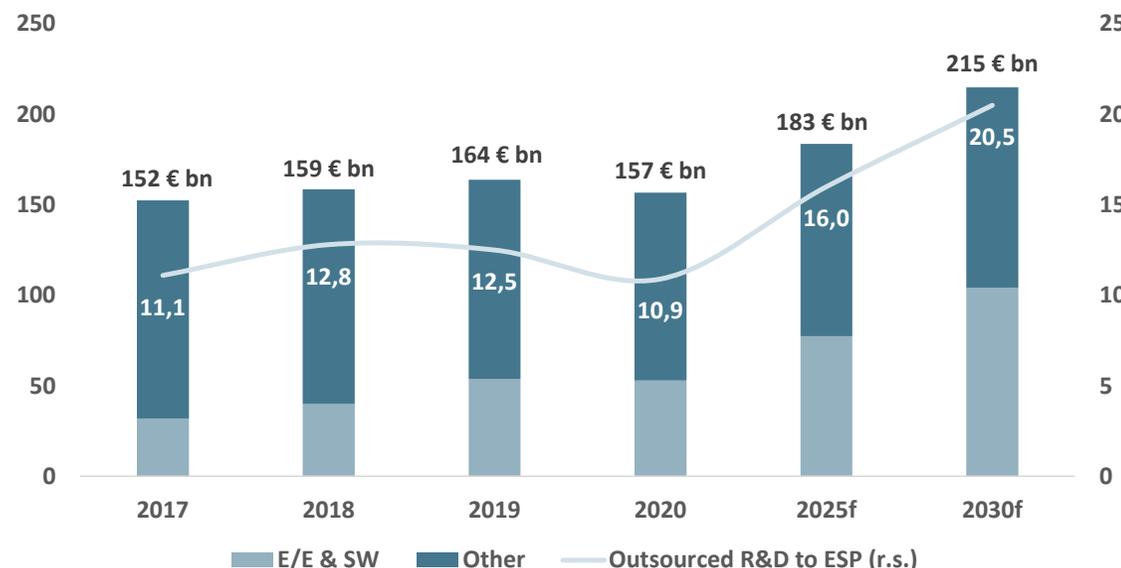
- Demand for air travel recovering subject to pandemic
- Generally growing demand for modern and efficient aircrafts
- Investments in low-emission aircraft with long operating range and innovative technologies
- Increasing relevance of sustainable aviation

INVESTOR PRESENTATION

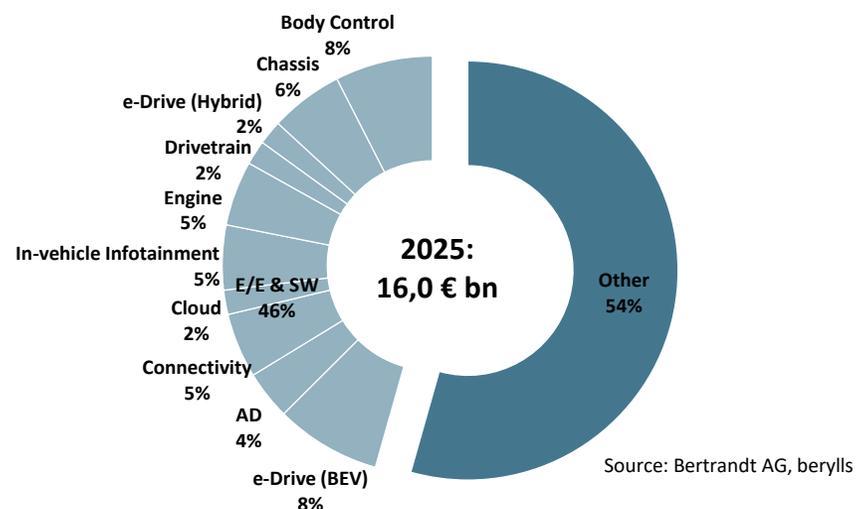
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INVESTMENT HIGHLIGHTS & OPPORTUNITIES

The automotive R&D market



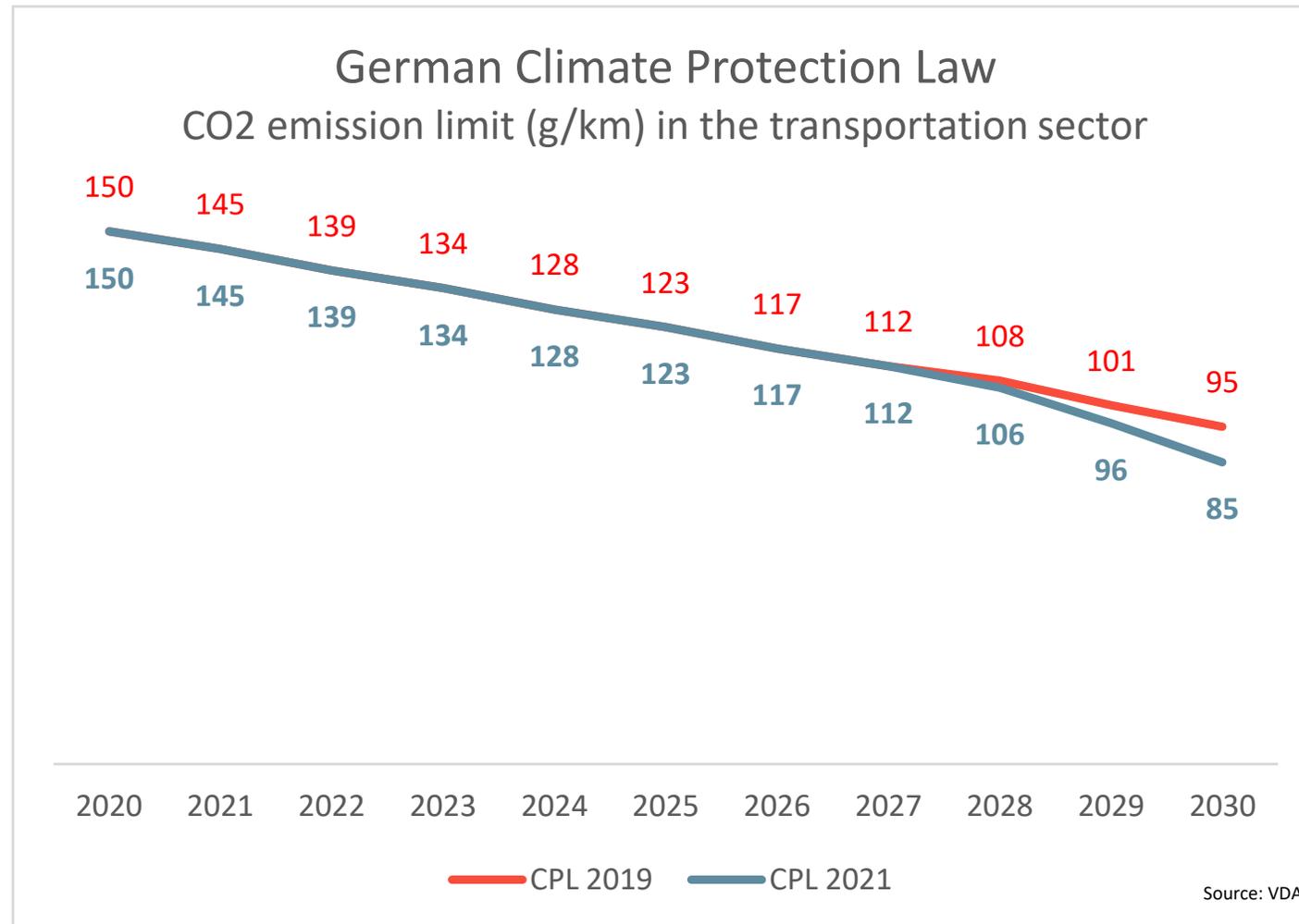
Source: Bertrandt AG, berylls



Source: Bertrandt AG, berylls

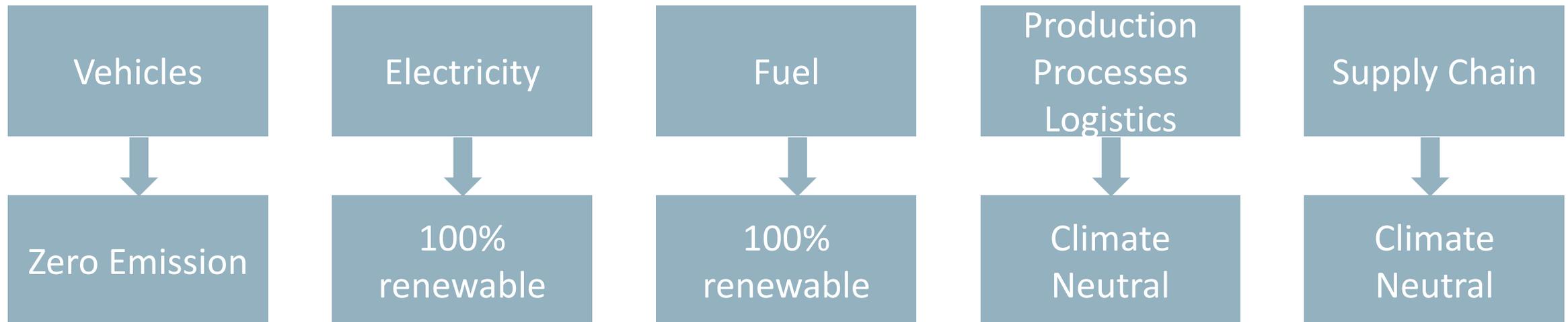
- Global automotive R&D market to reach EUR 215bn by 2030f (CAGR 2020-2030f: +3.2%)
- E/E & SW R&D becomes increasingly important (2020: EUR 53bn, 2030f: EUR 104bn, CAGR: +7.0%)
- Outsourced R&D to reach EUR 20.5bn by 2030f (2020: 10.9bn)
 - Outsourcing ratios have been increasing from ~7% (2017) to ~10% (2030f) globally
 - Very heterogenous outsourcing strategies among OEMs in different countries
- E/E & SW R&D (2017: EUR 4.5bn, 2025f: EUR 7.4bn, 2030f: EUR 11.7bn) increasingly important for ESPs with AD, connectivity, and e-mobility being the main driver
- E/E & SW R&D split over various engineering services

European Green Deal



Vision 2050: Climate Neutrality

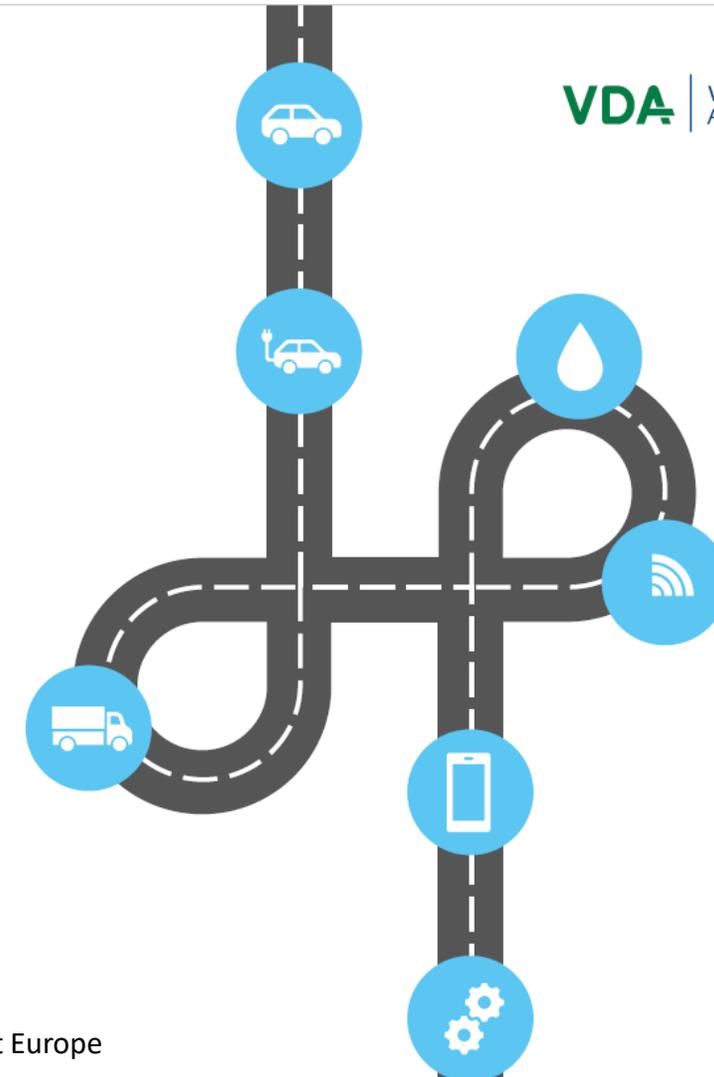
The German automobile industry realizes climate neutrality in the transportation sector by **2050** at the latest including the supply chain



Source: VDA

Bertrandt addresses all drivers for individual mobility

- 
Individual Mobility
 Remains core need for people
- 
Electric Mobility
 Will dominate in the car segment
- 
Commercial Vehicles
 Electrification/Fuel cell (depending on purpose)
- 
Hydrogen and Fuel Cell
 Important as an alternative technology and for achieving climate targets
- 
Automated and autonomous driving
 Key driver for future valued-added
- 
Digital Services
 Increasingly important element for supply chain
- 
Combustion engine still essential
 For some markets like South America, Africa, partially South-East Europe



Source: VDA

Innovation and growth drivers – industry megatrends

eMotion

Development, integration, validation of components, systems or complete vehicles



aMotion

Integrated specialist for all ADAS/AD-functions (L1-5)



Sustainability

End markets, business model and group strategy



Aviation

Partner and preferred supplier for the aviation industry



High-voltage battery test centre



State-of-the-art test center with an investment volume of over EUR 15 million:

- 24 HV channels
- 9.600 kW HV
- 12 climate chambers
- Temperature range from -60 °C to +120 °C

Validation of various high-voltage batteries under various climate and load conditions

HV components and complete vehicles

Construction of battery prototypes in special high-voltage workshop

Design of battery housings, integration and development of battery management systems, full range of electronics engineering

Bertrandt Powertrain Solution Center



Volume of capital spending of around EUR 80 million with new buildings at our locations in:

- Wolfsburg
- Munich (under construction)

8 all-wheel-drive climatic chassis dynamometer with 2 height chambers

Altitude simulation up to 4,200 m

Temperature range from -25 °C to +45 °C

Velocities of up to 300 km/h

Validation and homologation of all types of powertrains such as BEV, PHEV, HEV, ICE, FCV (fuel cell), HFCV (hydrogen FC), AFC (alternative fuels)

Environmental simulations

Real Driving Emissions

Euro 7 ready

Validation of vehicle handling/fuel consumption/emissions

Bertrandt Medical



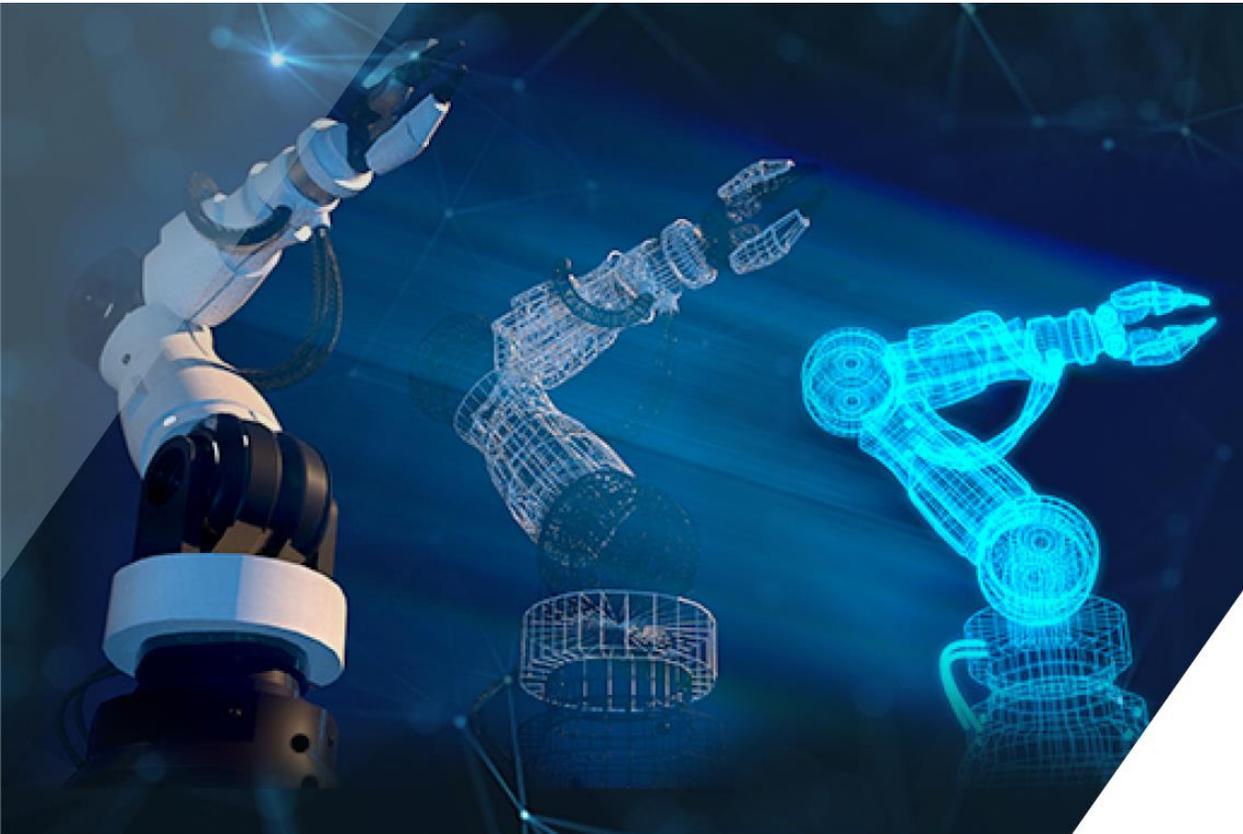
Expansion of resources and service portfolio to meet special medical technology requirements

Classic product development

Increased demand for quality management, regulatory affairs, risk management, equipment qualification and process validations

ISO certification in 2020 to meet high regulatory and extraordinary safety and quality requirements. Prerequisite for further growth.

CLIFE: Digital Twin Solution



Do you know how much added value your factory, your facility, your individual machine's data can generate?

Many companies are facing the challenge of using existing data to their advantage

CLIFE ensures that you have the most important information to hand, anytime and anywhere

CLIFE is a true digital twin of any machine

INVESTOR PRESENTATION

FY 2020/2021

Bertrandt AG

Highlights

- Pandemic caused challenging start into FY 2020/2021, but **utilization improved** in the course of the year.
- Demand and utilization in Germany **increasingly normalizing**
- RFQ's continue to be at high level
- Heterogenous development abroad: **USA, Spain, China almost fully utilized**, France lagging
- **Positive results** in all quarters, EBIT in the full-year above prior year due to cost measures and strict spending discipline
- Division Electronics/Software, non-mobility-operations, most foreign subsidiaries with **decent growth**
- **Re-organization** succesfully implemented
- More than **130 new hires** in Q4 2020/2021, currently >2.000 vacancies
- Political framework expedites sustainable mobility and **innovations**
- Long-expected **market consolidation** has started



FY 2020/2021 at a glance

P&L

➤ Sales: EUR 848.6m | EBIT: EUR 20.0m | margin: 2.4%

Cashflow

➤ CapEx EUR 38.3m | FCF EUR 35.9m

BS

➤ Total EUR 916.4m | Equity EUR 408.8m | Equity ratio 44.6%

Stock

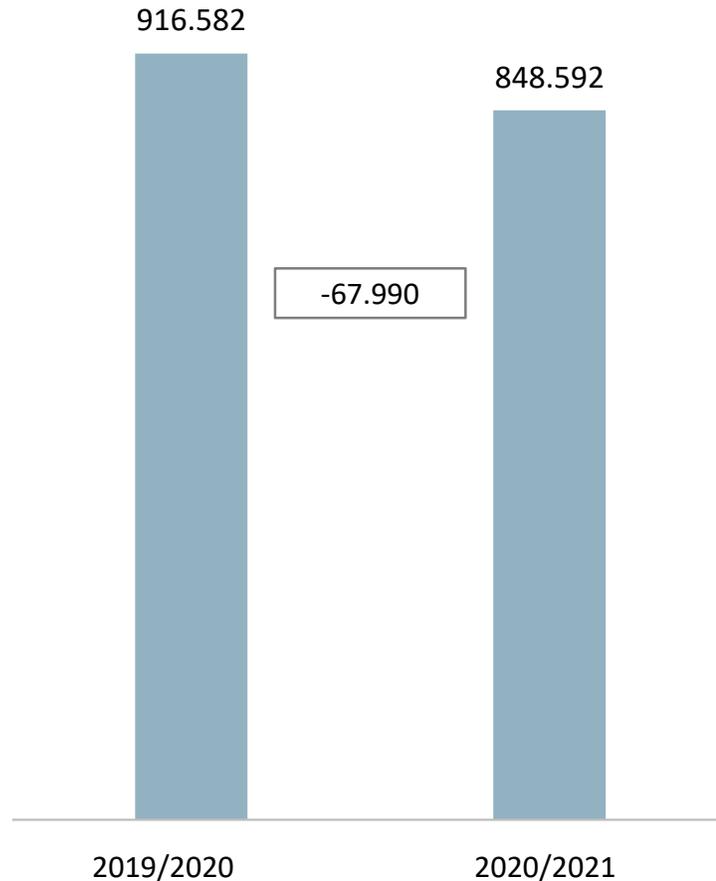
➤ EUR 50.30 (closing price: 30.09.2021)

Employees

➤ 12.030

Total Revenues

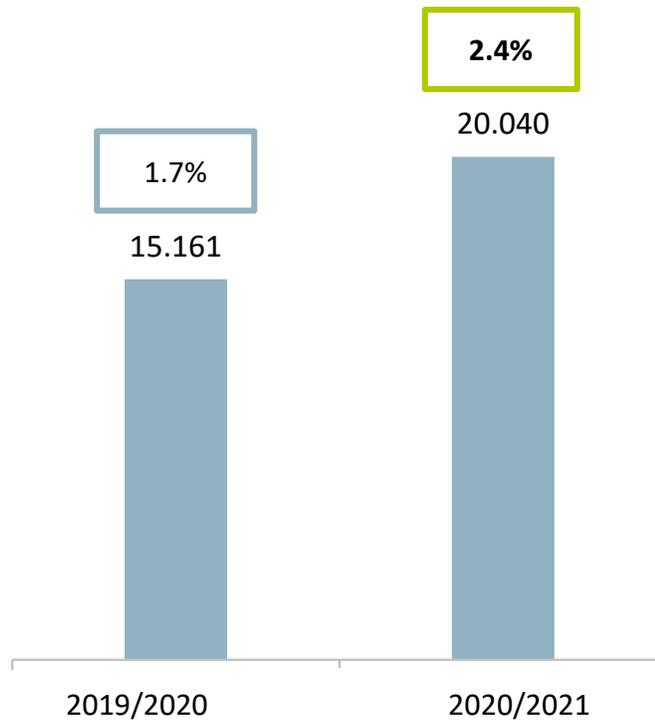
Total revenues
(in EUR m)



- Start into FY weighed down by pandemic and government restrictions. Economic recovery resulted in improved utilization from spring/summer 2021
- Group revenues: -7% yoy
 - Germany -6% yoy
 - RoW -14% yoy (predominantly France)
- Segment performance
 - Digital Engineering -12% yoy
 - Physical Engineering -14% yoy
 - Elektric/Elektronik +10% yoy

EBIT

EBIT and margin (in EUR m)

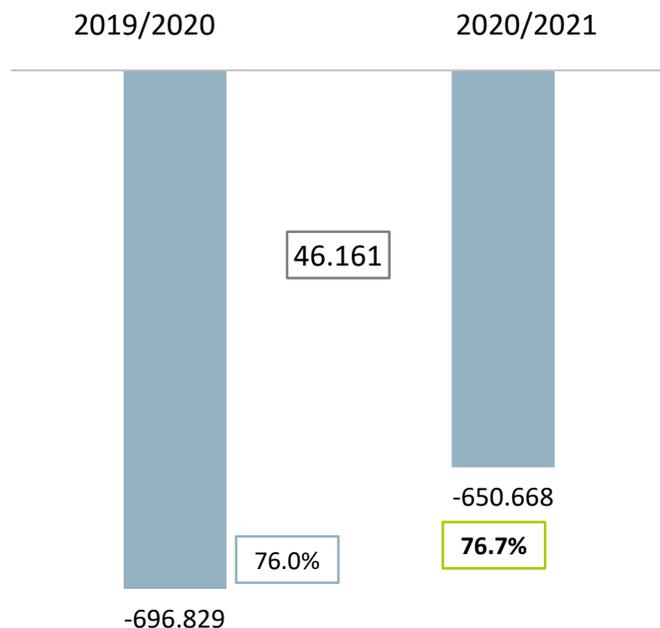


- All quarters with positive EBIT contribution
- Pandemic impacted EBIT especially in Q1 and Q2 yoy
- EBIT in Q3 and Q4 up yoy due to improved utilization
- Segments | Earnings contribution
 - Digital Engineering | EUR +6.6m
 - Physical Engineering | EUR -1.4m
 - Elektric/Elektronik | EUR +14.8m

Key expenditure figures

Personnel expenses

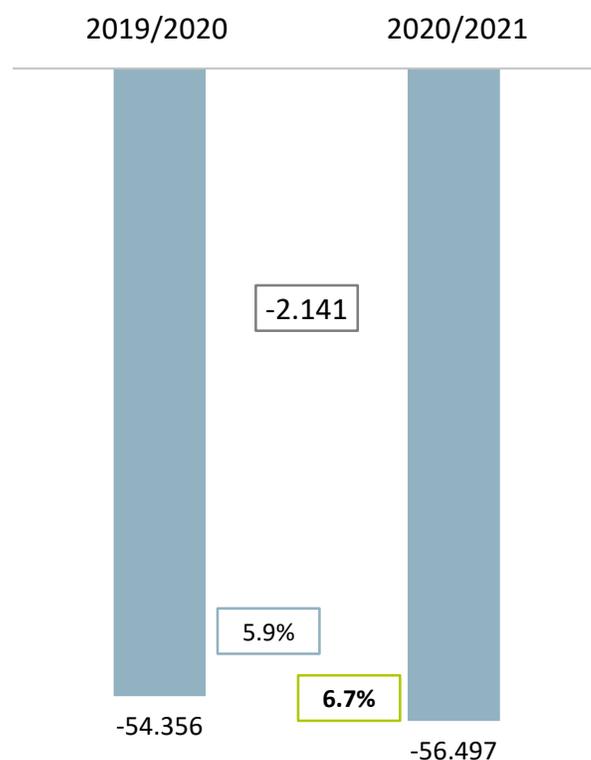
(in EUR m)



- Flex instruments such as reduction of accrued overtime, holidays and short-time work
- Headcount
- One day of special leave as part of compensation plan in FY 2020/2021

D&A

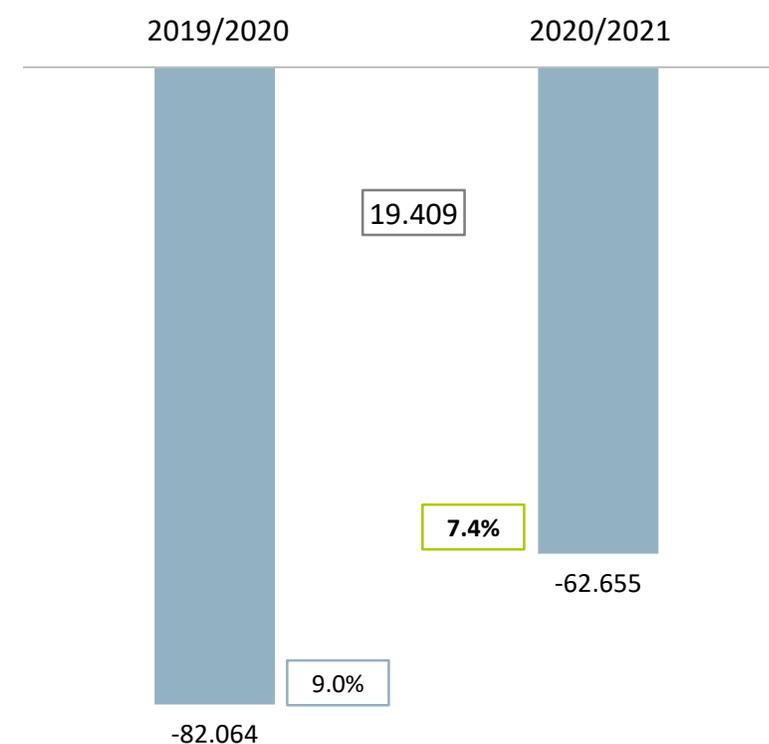
(in EUR m)



- Commissioning of investment projects from prior years

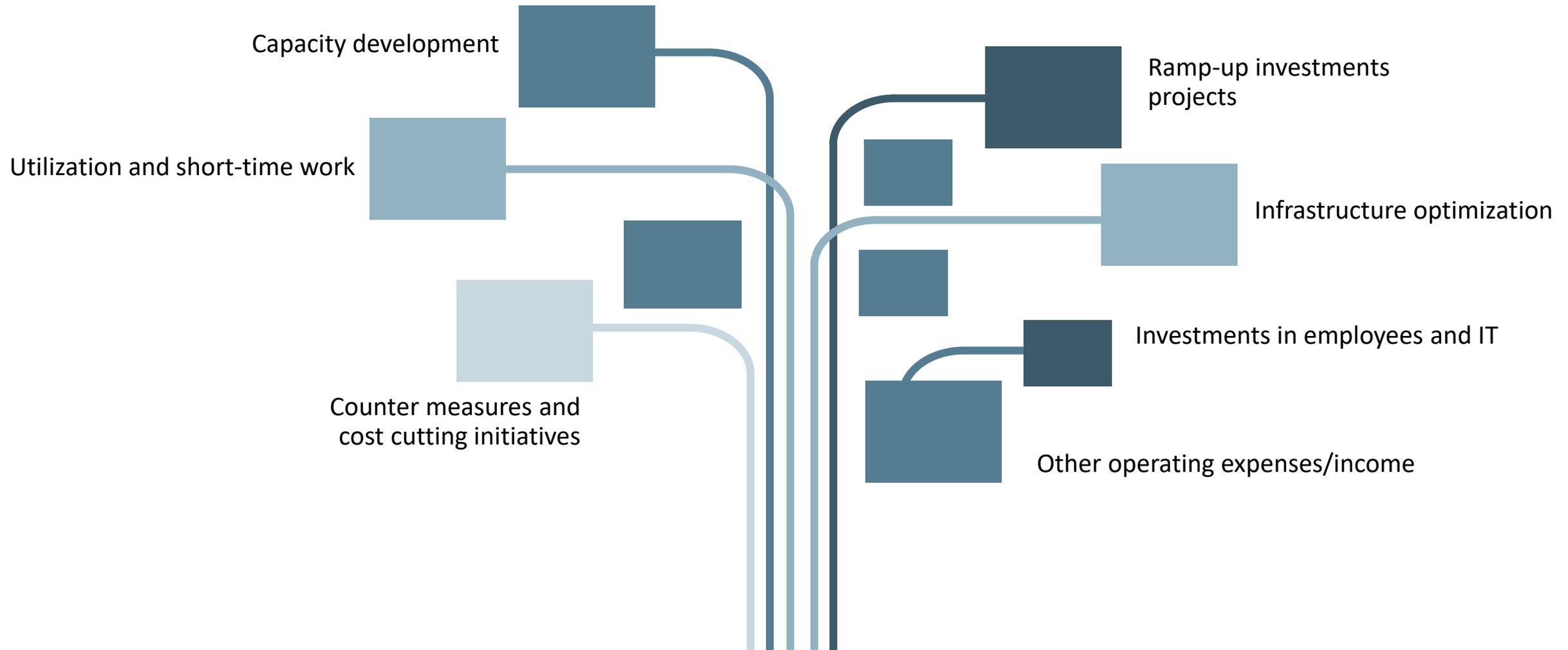
Other operating expenses

(in EUR m)

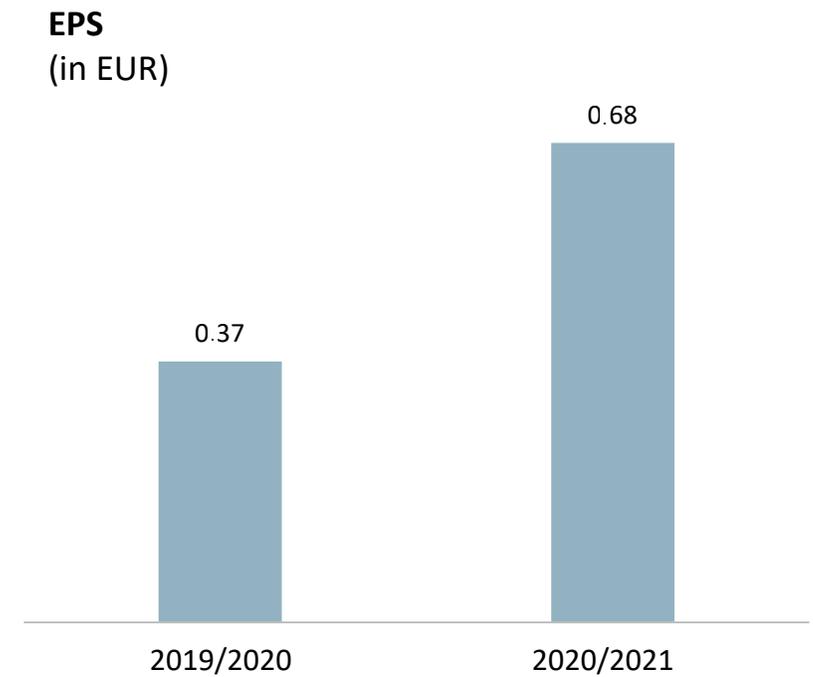
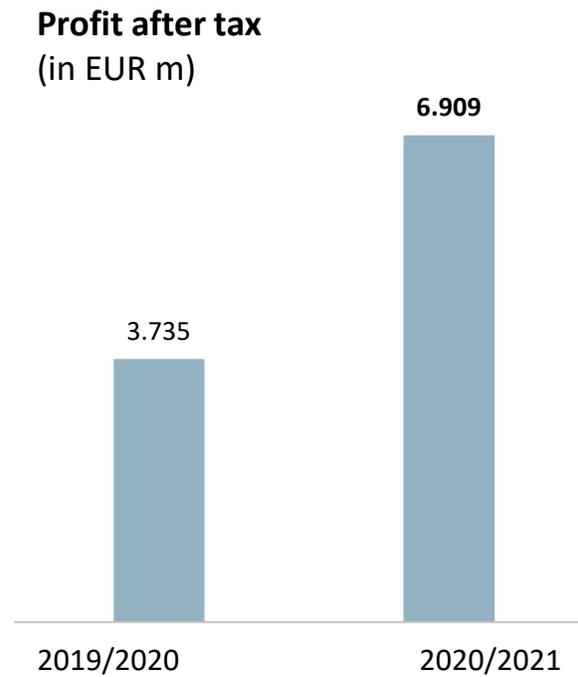
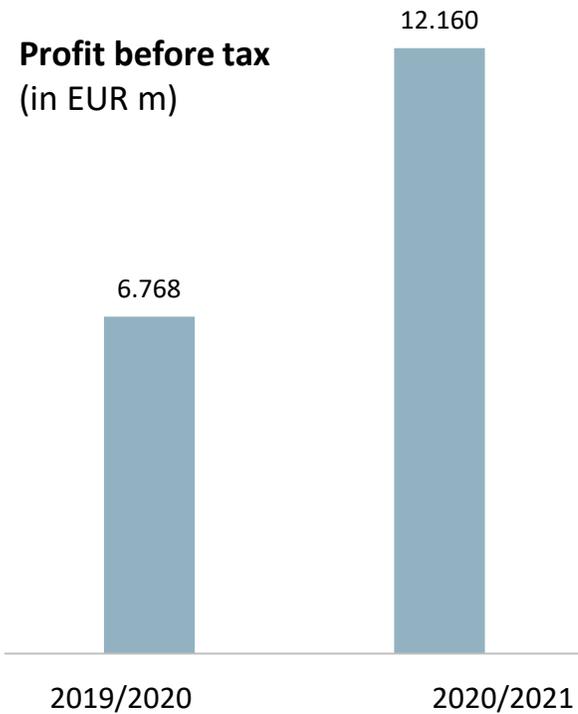


- Cost reduction and earnings enhancement programm
- Infrastructure costs with further upside in subsequent years

Total revenues and EBIT impacted by...



Earnings



Consolidated P&L

	2020/2021		2019/2020		comparison	
	EUR million	% of total	EUR million	% of total	EUR million	%
Total revenues	848.592	100 %	916.582	100 %	-67.990	-7 %
Other operating income	13.490	2 %	8.771	1 %	4.719	54 %
Raw materials and consumables used	-72.222	-9 %	-76.943	-8 %	4.721	-6 %
Personnel expenses	-650.668	-77 %	-696.829	-76 %	46.161	-7 %
Depreciation	-56.497	-7 %	-54.356	-6 %	-2.141	4 %
Other operating expenses	-62.655	-7 %	-82.064	-9 %	19.409	-24 %
EBIT	20.040	2 %	15.161	2 %	4.879	32 %
Net finance invome	-5.900		-5.231		-669	13 %
Profit from ordinary activities	14.140		9.930		4.210	42 %
Other taxes	-1.981		-3.162		1.182	-37 %
Earnings before tax	12.160		6.768		5.392	80 %
Income taxes	-5.251		-3.033		-2.218	73 %
Post-tax earnings	6.909		3.735		3.174	85 %

Financial and asset position

Investments (in EUR m)



- Expansion of infrastructure follows megatrends and customer requirements
- FY 2020/2021: investments predominantly for projects under constructions in advanced status (e.g. Bertrandt Powertrain Solution Center in Tappenbeck and Freising)
- Multi-year capex cycle almost finished

Financial and asset position

Equity and equity ratio
(in EUR m)

42.7%
403.431

44.6%

408.828

2019/2020

2020/2021

Cashflow from operating activities
(in EUR m)

123.521

73.662

2019/2020

2020/2021

Free Cashflow
(in EUR m)

72.180

35.902

2019/2020

2020/2021

– Equity and equity ratio improved

– Working capital management drives cashflow generation in both periods

– CapEx limited to strategic investments

- FY 20/21 | EUR -35.7m

- FY 19/20 | EUR -48.5m

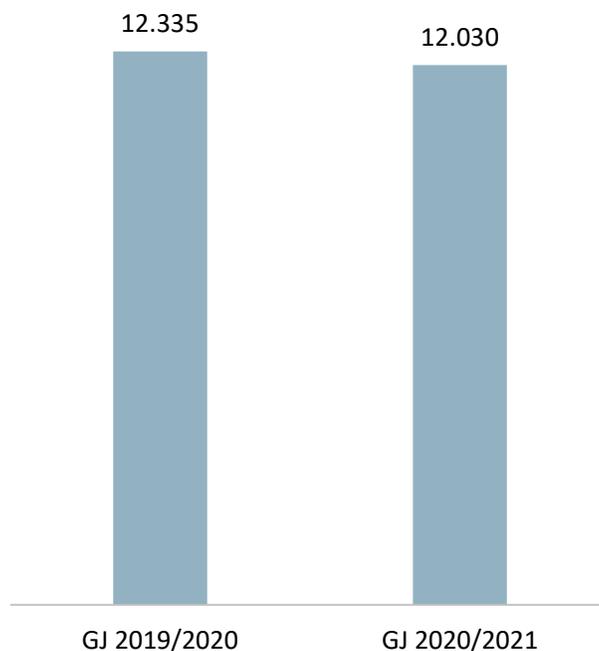
Consolidated Balance Sheet

Assets	30.09.2021 EUR million	30.09.2020 EUR million	comparison EUR million	%
Property, plant and equipment	391.406	413.056	-21.650	-5 %
Non-current assets	440.675	464.797	-24.122	-5 %
Current assets	475.714	480.662	-4.948	-1 %
Total assets	916.389	945.459	-29.070	-3 %
Equity and liabilities	30.09.2021	30.09.2020	comparison	
	EUR million	EUR million	EUR million	%
Equity	408.828	403.431	5.397	1 %
Non-current liabilities	352.706	344.598	8.108	2 %
Current liabilities	154.856	197.430	-42.574	-22 %
Total equity and liabilities	916.389	945.459	-29.070	-3 %

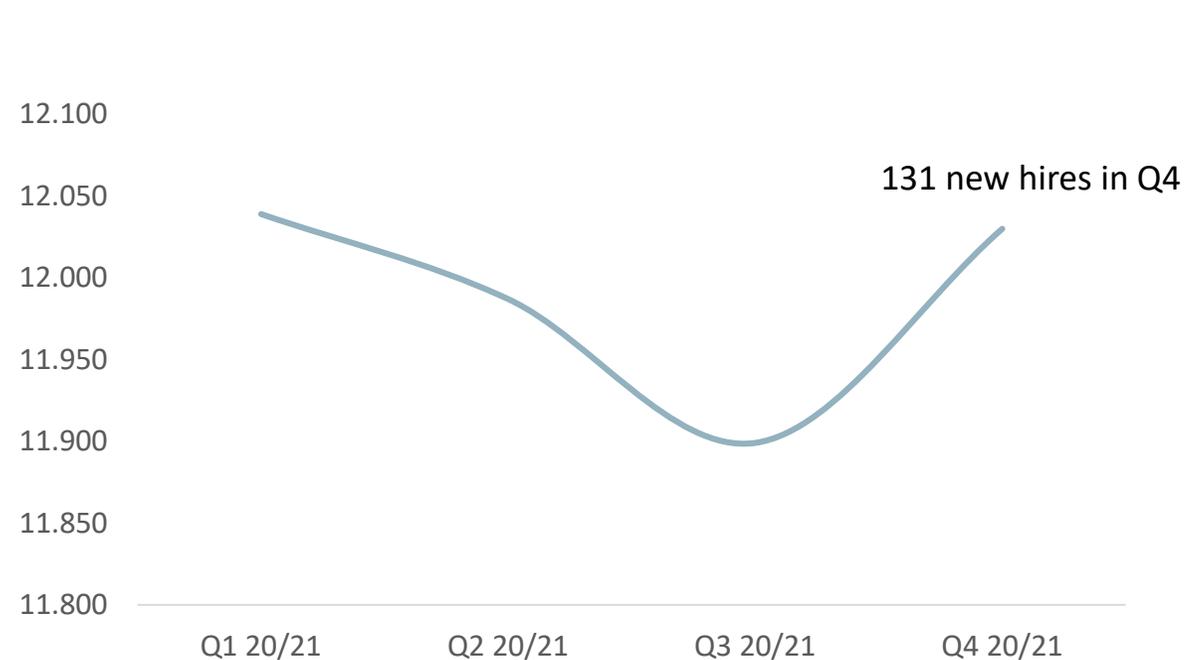
- Equity ratio: 44.6%
- Gearing: 41.1%
- NFD/EBITDA: 2.2x

Human resources

Employees as of 30th September



Employee development FY 2020/2021



- Headcount development linked to heterogenous capacity utilization
- 131 new hires in Q4 2020/2021 qoq with currently more than 2,000 vacancies (as of 1.12.21)
- Some EUR 3.5m investments in employee training and education in FY 2020/2021

INVESTOR PRESENTATION

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Outlook

Forecast

- Opportunities and threats for economic and industry-specific environment
- External factors and events (e.g. pandemic, indirect impact from supply restraints) lie beyond management's sphere of influence
- Political framework such as the Green Deal or other environmental measures require high investments in mobility and other industries mid- to long-term
- External market research foresees growth opportunities for ESPs driven by megatrends such as Digitization, ADAS, Connectivity or e-mobility

Summary



- ✓ Pandemic not overcome yet, but counter measures in place
- ✓ Utilization increasingly improved and further normalization expected in fiscal year 2021/2022
- ✓ Flexibility thanks to solid financial position
- ✓ Consequent execution of strategic initiatives such as diversification
- ✓ Prospects also reflected in guidance

Guidance FY 2021/2022



EUR 80-120m

increase
in total revenues to
EUR 930-970m



4-7%

EBIT margin
(prior year: 2.4%)



Positive

cashflow from
operating activities



EUR 30-50m

CapEx

INVESTOR PRESENTATION

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BACK-UP

Back-up: Financial calendar

09 December 2021	FY 2020/2021, Analyst and Press conference
21 February 2022	Q1 2021/2022
19 May 2022	Q2/H1 2021/2022 & Capital Markets Day
08 August 2022	Q3/9m 2021/2022
15 December 2022	FY 2021/2022, Analyst and Press conference

[FY 2020/2021 Annual report](#)

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